

CU Focus



+ MINISTER DONOHOE AT AGM 2019



04



Editorial

It was an interesting couple of days at AGM 2019. There were the usual reports of the year's work from the various groups that carry out the wishes of the membership, and comments and feedback were received. The more anodyne and complimentary comments were usually used in reference to work carried out, while the harsher comments were used when referring to the changes in approach necessary to ensure sustainability in the future.

ILCU President Charles Murphy, in his address, focused on the social benefits of credit unions, describing them as empowering for the community. He welcomed the fact that CUSOP had reached a significant stage in its development, and highlighted that, in line with the movement's changing priorities, the ILCU Monitoring Department had now become the Business Advisory Support Service.

The Registrar of Credit Unions, Patrick Casey, did not try to sugarcoat his message. The good work done in the past and the fact that credit unions are trusted by a large majority of people gives no guarantee as to sustainability. He stressed the importance of clarifying future vision. He expressed disappointment that 16 years after the ILCU's Operational and Performance Review *'there has not been any material repositioning of the credit union business model.'* He said the vision is of **'strong credit unions in safe hands'**.

'Strong credit unions' are "financially strong and resilient, enabled by sustainable, member-focussed business models, underpinned by effective governance, risk management and operational frameworks."

'Safe hands' are defined as; "when they are effectively governed, professionally managed and staffed by competent, capable people who appreciate and prudently manage risks, while successfully meeting members' product and service expectations".

His speech acknowledged the worthwhile things that have been accomplished, but at the same time outlined what lies ahead and challenges us to make sure we resist any temptation to sit back in self-congratulatory fashion. There is much to be done. There is need for change as we adapt to the changing expectations of society, and we are called to greater collaboration to move credit unions forward.

08



Main Cover Image:
Minister for Finance
Paschal Donohoe address
AGM 2019 at Citywest,
Dublin in April.

CONTRIBUTIONS

Contributions may be submitted via email to editor@creditunion.ie.

Editorial Committee: William Breen, Clive Davis and Paul Bailey. Volume 3 Issue 12 ©.

ILCU ISSN 1649-377X. **ILCU Board:** Gerry Thompson, President. Eamonn Sharkey, Vice-President. Helene McManus, Treasurer. Ciaran Bishop, Charles Murphy, Margaret Heffernan, Blanche Ronayne, Martin Sisk, Joe Mulvey, Jim Toner, Vanessa Foran, Martin Busch, Clive Davis. **Supervisory Committee:** Patricia Doherty, Michael Cogley, Terry Redmond **Life Director:** John Hume

Design & Print: **Outburst Design**. Please Note: The deadline for the next issue of CU Focus is Tuesday August 6th 2019. Please mark for the attention of the editor, CU Focus Communications Department. The views expressed in this issue of the CU Focus are not necessarily the views of the Irish League of Credit Unions. Advertising: The placement of an advert does not imply endorsement of the product or service advertised, either by the magazine or its publisher. The CU Focus will not knowingly carry false or misleading advertising. Articles The CU Focus would like to hear your news and views. Send in any newsworthy stories or photos. The CU Focus tries to publish all appropriate information submitted, but may be precluded by space constraints.

Published By Irish League of Credit Unions 33 – 41 Lower Mount Street Dublin 2 Tel: 353 (0)1 614 6700 Fax: 353 (0)1 614 6701 Email: info@creditunion.ie Website: www.creditunion.ie

10



04 The Borrowers

The new, independently commissioned, RTE One eight part series, The Borrowers, follows the stories of real life people who borrow from their local credit unions.

06 The Borrowers Interviews

We hear from the credit union loan officers involved in The Borrowers series.

08 AGM 2019

A review of AGM 2019 which was addressed by the Minister for Finance, Paschal Donohoe TD, and EU Commissioner for Agriculture, Phi Hogan.

10 Interview with new ILCU President

Newly elected ILCU President, Gerry Thompson, sets out his vision for the movement.

14 Irish-American credit union exchange

The credit unions involved in the first Irish-American credit union exchange share their experiences.

16 ILCU Business Advice and Support Service

All you need to know about the recently established ILCU Business Advice and Support Service.

22 Ballybay Credit Union 50th Anniversary

The Co Monaghan credit union celebrates 50 years serving the local community.

24 2019 Volunteer Coaching Programme

Credit union volunteers travel to West Africa with the ILCU Foundation for the 2019 Volunteer Coaching Programme.

34 Your Stories

The latest news, initiatives and events from credit unions across the island of Ireland.

14



24



34



THE BORROWERS

RTE One's new series about the people who borrow from credit unions has lit up the small-screen with its real-life, heart-warming and poignant storylines for the past eight weeks. *The Borrowers*, an eight-part drama-financial-docu series, was brought about after award-winning production company, Alleycat Films, pitched the idea to the Irish League of Credit Unions (ILCU). Once the project was green-lighted by the ILCU, it was presented to RTE, who loved the idea and commissioned a series. At RTE's direction, credit unions in the Republic of Ireland were selected for filming. These were Cara Credit Union Ltd. (Tralee), Mullingar Credit Union Ltd, St Dominic's Credit Union Ltd. (Waterford) and Heritage Credit Union Ltd. (Dublin).

What was it all about?

The half-hour programmes brought viewers inside the credit union loan office for the first time ever on Irish television. Each episode took a fly-on-the-wall look at the real-life (and often fascinating) reasons behind credit union loan applications; from family reunions, to new cars, houses, cosmetic procedures and much more. As narrator Pauline McLynn, of *Father Ted* fame, told viewers – they were being treated to a look inside what could be considered the most secretive room in Ireland!

The stories

Episode One followed loan officers Derry Fleming –aka internet sensation Bat Dad– and Maurice O'Donoghue in Cara Credit



Eugene and Gary were a force to be reckoned with in Episode 1!





Thomas applied for a loan for a cataract operation in Belfast in Episode 1

Union, and Colette Dolan in Mullingar Credit Union.

Maurice, who had a penchant for wearing superhero socks, was confronted with the reality of the healthcare system in Ireland as loan applicant Thomas needed a loan to travel to Belfast for a sight-saving operation. His fear was if he stayed on the waiting list at home, he could lose his sight.

Colette in Mullingar was up against father-and-son duo Eugene and Gary, who were such a hit with viewers some remarked they should have their own show!

Episode Two featured some truly heart-warming and inspiring stories. The star of the show was undoubtedly Kathe, who came to Ireland as a refugee during World War Two under Operation Shamrock. She was fostered out to an Irish family, only to be returned to an orphanage in Germany again. Her Irish family never gave up on her and eventually saved the money to bring her back to Ireland where she stayed. She told the incredible story to Heritage Credit Union's loan officer, Celine Yarr, as she and her daughter Linda applied for a loan to go on a cruise to celebrate her 80th birthday.

We also met transgender woman Joanne in Cara Credit Union, who needed a loan to tax and insure her car to take her to her doctor's appointments. Joanne told Derry; "If someone offered me the Euromillions tomorrow, and I'd only one euro in my purse, to change back - there is no way."

And who could forget Konor the Clown? The life-long entertainer needed a loan to visit his son in Valencia, and left us with a memorable lesson about life; "I haven't any Oscars or Baftas in the drawer but I can look back at some great memories and say 'Hey Konor, you did that, fair play to you!'"

There were also a wealth of memorable characters across the six other episodes, including Pat who came to St Dominic's Credit Union for a car loan after failing her NCT, and ended up chatting about her previous loan for her 'double-bed' – the gravestone she had invested her for herself and her husband. Melisa Patrick Aloysius Dominic Arthurs was another unforgettable borrower, 'I'm basically the fella with the girl's name' he told Paul in St Dominic's.

Overall, the series was an overwhelmingly positive endorsement of credit unions and their vital contribution to life in every corner of the island.

Alleycats Films' Des Henderson on The Borrowers



Tell us a little about Alleycats Films?

We are based in Derry and have been making films for the past seven to eight years. We do all sorts, from hard-hitting factual documentary to more light-hearted entertainment. We are passionate about telling stories and making great content that people want to watch.

Where did you first get the idea for a series about the credit union? I first thought of *The Borrowers* when I was sitting in my local credit union in Portadown applying for a holiday loan. I've been a member of the credit union for as long as I can remember, as kids we would probably never have been on a holiday, had new school uniforms or football boots if there hadn't been a loan to cover it, so I was well aware of the special place it held in the community and I also knew that the credit union as an institution was the ideal setting for a television series.

What was it about the relationship between the credit union loan officer and the borrower that you felt would make a good television series? The loan office is the beating heart of any credit union, that's where the interesting conversations happen and that's where the filming for our series is focused. I knew from my own experience of the loan office that it really is a unique interaction, you end up more or less telling the loan officer your life story and chatting about how things are going.

How was your experience of filming in the credit union loan office? It was really great, we couldn't have been made more welcome by the staff. There was however a lot of trepidation on everyone's part. The loan office is a very private and personal space. I think we were all concerned about whether people

would agree, if they did, would the stories be worth filming at all? Thankfully, after the first day in our first location we knew everything was going to work out fine.

Were there any moments/storylines that completely took you by surprise or that you had not been expecting?

There were so many genuinely surprising moments, from Pat in Waterford who had loans for everything from a new hip to a three-piece suite to a headstone!!! Kathe in Dublin who revealed herself as a German refugee half way through the loan application, and a pair of gymnasts doing handstands in the waiting area.

Were there any moments/storylines that particularly resonated with you?

I think the moments that resonated most with me were the ones that had most riding on them, people who really needed the loan for whatever reason - because I've been that person, we all have. The most affecting story was Paul in Mullingar who had just lost his wife to cancer and needed to cover the costs of the cremation. It was very brave of him to go on camera but he really wanted to honour his wife's memory – it was an impactful story.

What do you think is the central message of the series/what message do you think viewers will take after watching the series?

I think the central message is that people are interesting and you never really know what's going on in people's lives. Through the loan interview you really get to know people, what they've been through, what they're going through or what their hopes and dreams are.

What's next for Alleycats Films? The Borrowers series 2? We'd love it!!!

CU FOCUS INTERVIEW WITH

THE BORROWERS

LOAN OFFICERS

We've all got to know and love them over the past few weeks of *The Borrowers* series on RTE One. Derry, Maurice, Colette, Paul, Alma, Celine and Alan chat to CU Focus about their experience on the show.



Derry Fleming



Alma Kelly



Paul Corcoran



Colette Dolan

DERRY – what do you like most about being a loan officer at Cara Credit Union? I enjoy educating members on the path that they need to take out a loan, how to achieve this and follow their dreams. As a result of this level of service, they become ambassadors for Cara Credit Union, advising their family and friends to join the credit union. This gives me a wonderful sense of achievement. It is important that we understand the member, understand their needs and understand that each members' path is unique to them.

What is the worst aspect of the job? Having to disappoint a member by saying we are unable to grant the full loan they are looking for. We are in the business of saying 'yes' so it is our job to help the member work towards getting the full amount in the future, where possible. It disappoints me having to say no, as I really do not want to shatter someone's dream. I will always try to make it positive for them and ask them to look at other options to suit the income which will not put them under financial pressure.

What did you enjoy most about filming? It was fantastic to allow the members tell their story. Personally I did hold back a bit, as I felt it is all about our members. I love making people feel good about themselves and I enjoy a good laugh.

Anything you did not enjoy about filming? Lack

of make-up! Although when I come to think of it, we didn't need it!

ALMA – what are the best and worst aspects of your job as a loan officer? The best aspect is the ability and facility to assist members to meet their financial needs, wants and desires, and the opportunity to share in their life occasions – albeit on the periphery. The trust that our members place in us as loan officers while imparting their personal stories is very special. In my opinion there is no real 'worst' aspect of the role, however it is always difficult to decline a loan application for a member. On the positive side of this decision, I make it a point to state that it is 'declined at this time' and then work with the member on a budget plan. It's all about working towards the future, when we can offer the member a loan at a time when it will be affordable within the members' budget.

What was the most enjoyable part of filming? It was really interesting to see a TV show at production stage and the lights, cameras and action were all part of that experience. It was a very happy and memorable few weeks for my colleagues and I, and one we are not likely to forget for a long time to come.

How are you coping with your new-found fame? I am embracing it all with the maxim that everyone gets their 15 minutes of fame at some

time, I am taking this as My Time! The feedback has been so positive and we are very proud that St Dominic's Credit Union was selected to participate.

PAUL – what first attracted you to working in the credit union? I've been a member of the credit union for as long as I remember. I always liked the ethos of the credit union and when an opportunity came up to work in that environment, I took it. No regrets.

What was the most enjoyable part of filming? Finally being able to play the part of a loans officer. A very challenging role.

Were there any aspects of the filming you did not enjoy? The waiting around, the tantrums being thrown on set by others, being confined to my trailer when the weather was bad and the special effects not working when required! Oh, and the gourmet food not being at the required temperature for my liking.

How are you coping with your new found fame? It's difficult, what with the groupies, the hangers-on and the endless selfies.....but someone has to do it!

COLETTE – what are the best aspects of being a credit union loan officer? When I started working in Mullingar Credit Union I covered a variety of member service roles. I really enjoyed



Celine Yarr



Alan Roche



Maurice O'Donoghue

the work and the feeling that we were having a positive impact within our community. When the credit union was recruiting loan officers I applied for the role and was lucky enough to be successful. To me this was my dream job. The best aspects of being a loans officer is that in a very direct way you can help members, and make a big difference in their lives. Members may come to me with financial problems that, to them, may seem insurmountable, but I often find that after going through the issues we find solutions that are manageable both for the member and the credit union. This gives me great satisfaction.

How did you first feel when you were asked to take part on *The Borrowers*?

There was no pressure on any of the loans officers or other staff in the credit union to take part so it was a matter of choice for myself. I was apprehensive but I had experience of performing in public from taking part in the fleadh and other music events, so I agreed to take part. The pilot show went well and I enjoyed doing it. The people in *Alleycats* were very nice and supportive. So when it came to filming for the actual TV shows I was glad to take part.

What was the most enjoyable part of filming?

There was a sense of excitement at being involved in something new in the credit union, something which I felt, if it went well, could be very positive for credit unions throughout the country. Credit unions have a very good story to tell and I felt this was a good way of getting the story, in relation to our approach to lending, out to the wider public.

CELINE – What first attracted you to working in the credit union?

It's in the blood! My Dad was very involved with our local credit union and was a great believer in the ethos and benefits of being a member. He opened up accounts for us as children and encouraged us to always be active members. Our family was 'a credit union family'. Every car bought in our house and every improvement to our home was financed with a credit union loan, so I was delighted when I got the opportunity to work

for a credit union. I love working for an organisation that is completely member focused and not profit driven.

What are the best and worst aspects of being a credit union loan officer?

The best aspect has to be the daily interaction with the members. Members are generally very open and honest in their dealings with us, and as a result we are part of some very happy loan requests and equally part of some very sad and harrowing ones. The worst aspect of the job is when we just cannot get an application to approval stage for the member. We really do our best with every application we receive. Unlike the banks we manually review every single application, but in some instances we have no option but to say no. Thankfully it doesn't happen very often as we approve more than 98% of loan applications in Heritage Credit Union.

What was the most enjoyable part about filming?

Once I got over my initial nerves, I really enjoyed hearing the stories of the members I was interviewing. I was very lucky to have some lovely members to work with and some fascinating stories.

How are you coping with your new found fame?

Oh, I have to go out in disguise now! Only joking, it's the members and their stories that are the real stars of the show.

ALAN – What are the best and worst aspects of being a credit union loan officer?

The best aspect is being able to give a member the good news that their loan application has been approved. It's a great feeling to have a job that allows you help someone else, especially when it's one of those key milestones in life, like buying a first car, or taking the kids away on their first holiday abroad. It feels good to say 'yes', knowing you are helping someone. The worst part is some of the very difficult and tragic circumstances you come across in people's lives. I have such admiration for our members, their strength and ability to deal with life challenges, it's very humbling.

What was the most enjoyable part of filming?

It was good craic and the crew were great to work with. Working with production teams and camera teams is definitely an insight into the volume of work needed to create good TV. We had to spend a lot of time with the crew, we had to work hard to ensure that the audience at home get a real feel for what happens in a credit union. The filming process itself also got me to think more about the service we are providing, and reminded me just how important our role is within our community.

How are you coping with your new-found fame?

I don't think my hand is going to get tired signing autographs any time soon!

MAURICE – How did you first feel when you were asked to take part on *The Borrowers*?

I felt both privileged and a little nervous to say the least. I was very proud to represent Cara Credit Union on the show, but that also came with added pressure as I wanted to reflect the best of what we do on a daily basis. You're just hoping it all comes together on the day!

What was the most enjoyable part of filming?

Seeing the nuances of how a TV show is actually made was very interesting. The production crew were a gas crowd and we had plenty of craic in between takes!

Were there any aspects of the filming you did not enjoy?

I can honestly say I enjoyed every minute of it. Obviously, it was filmed over a short period of time (three days), so I may give a different response if I ever get to film a Hollywood movie over the course of six months!!

How are you coping with your new-found fame?

I'd be inclined to use the term 'new found fame' very loosely! The real stars of the show are our members who put themselves forward to be filmed. Kudos to them for their bravery. At the end of the day, I was just doing the job I love to do, and a few cameras happened to be present!

MINISTER DONOHOE ADDRESSES AGM 2019

Minister for Finance & Public Expenditure and Reform, Paschal Donohoe TD, was a keynote speaker at the Irish League of Credit Unions (ILCU) AGM at Citywest Convention Centre, Dublin. The two-day conference took place on Saturday and Sunday 27th and 28th April, with more than 1,000 credit union representatives in attendance. The further diversification and enhancement of lending services for Ireland's 3.6 million credit union members was a key point of discussion throughout the conference.

Minister Donohoe's Vision for the Movement

In his address, Minister Donohoe said: "The Government and I are strong supporters of the credit union movement, and we recognise the important role played in society by the credit union sector as volunteer, cooperative financial institutions, helping to sustain the consumer economy with over €2 billion of new lending every year. I believe credit unions can play an even greater role in our economy, by harnessing their co-operative ethos to capitalise on the growing appetite for ethical, financial services in Ireland."

The Minister also laid out his vision of the future for credit unions. He said; "The entrepreneurial spirit, the ethical purpose and the community-centric focus, are for me the essence of the movement. It is these first principles that provide the movement's uniqueness, and it is these that will ensure its continued success – once tailored to the 21st century needs of your communities."

"This means becoming modern financial services providers, with digital offerings, and requires investing in IT, adapting to your changing common bonds and demographics, and partnering with each other, as well as third parties. This could include partnering with fintechs and potentially leap-frogging other incumbents, who are conversely burdened by legacy systems in terms of technology. To fully grasp the opportunities available, there is a need at this point in the sector's development to return to the entrepreneurial spirit the movement was built on, but without losing sight of the founding purpose; that is, providing ethical financial services for your common bonds".

EU Commissioner on the Importance of the Movement

The EU Commissioner for Agriculture & Rural Development, Phil Hogan, was



Minister for Finance, Paschal Donohoe TD, delivered the keynote address at AGM 2019

another keynote speaker at AGM. Speaking about the movement's importance to the economy and agri sector, Commissioner Hogan said: "The community-led approach of the credit union movement has been fundamental to Ireland's economic development. The central role credit unions played in the economic and financial recovery of the nation cannot be overstated, particularly in relation to maintaining the vitality of the agri-food sector and rural businesses. Looking to the future, I expect

credit unions will be a key stakeholder in the all-island economy post-Brexit, and their importance and relevance will only continue to grow in the coming decades".

Following his speech, journalist and author, Martina Fitzgerald, chaired a lively Q&A session with the Minister and the Commissioner, with delegates addressing questions directly to the two. Topics of discussion ranged from Brexit to the CAP (Common Agricultural Policy) payments for farmers to Budget 2020 and legislation for the credit union movement.

Registrar of Credit Unions Key Focus

Also addressing AGM was the Registrar of Credit Unions, Patrick Casey. Mr Casey focused on four key areas in his speech.

These were;

1. **The importance of addressing key commercial challenges in service of tackling sector sustainability.** This requires directing energies across revenue growth, operational efficiency and enhanced capabilities;
2. Building on this, the pressing need to **re-orientate sector strategic thinking towards business-led rather than regulatory-led change**, as a catalyst for business model development;
3. **The necessity for all credit unions to meet minimum regulatory standards and to build strong core prudential foundations** – which are designed to protect members' funds and are necessary to support your change agenda; and
4. **How the Registrar of Credit Unions communicate, engage and support the sector in fulfilling our statutory mandate.**

Motions Passed at AGM

Resolutions passed included those to set the affiliation fees to the ILCU, the contribution to the SPS fund and to authorise collection of funds for the



Marianne Cushley and Sinead Butler from the ILCU Communications Department at the AGM Exhibition Centre



Journalist & author Martina Fitzgerald chaired a lively Q&A with the Minister for Finance and EU Commissioner for Agriculture, Phil Hogan



Incoming ILCU President, Gerry Thompson, with new ILCU Vice-President, Eamonn Sharkey, and new ILCU Treasurer, Helene McManus following the elections at AGM 2019

National Advertising Campaign for a period of two years. There were a number of amendments to the Standard Rules for Credit Unions also. Full details were published in the affiliate area of the website on Monday 29th April, and can be found in the ILCU News section, after logging in to www.creditunion.ie.

AGM Elections

On Sunday 28th April, as the AGM drew to a close, the results of the ILCU Board elections were announced. Gerry Thompson, of Roscommon Credit Union Ltd., was elected as the new President, taking over from Charles Murphy. Eamonn Sharkey, of Omagh Credit Union Ltd., was elected to the position of ILCU Vice-President and Helene McManus, of Kilcloon Credit Union Ltd., was elected as the new ILCU Treasurer. Patricia Doherty was also elected to the Supervisory Committee.

Speaking about his appointment, Mr Thompson said; "I am proud and humbled to be elected to this position and very much look forward to working with all our affiliated credit unions, and the broader credit union movement, as they continue to engage in the further development and diversification of services. As a firm believer in the massive

potential of credit cooperation to improve people's lives worldwide, I will work to ensure the unique credit union model of cooperative financial services continues to prosper across Ireland. I am proud of the

ILCU's all-island remit, and aspire to see credit union services ultimately become the first financial choice for all our citizens, both North and South."



Rugby jersey winner, Collette Dunne of Greenhills Credit Union

The Exhibition Centre was a hive of activity during AGM. 50 companies providing services to credit unions exhibited, alongside ILCU Departments and ILCU Associated Companies. There were giveaways, raffles and competitions throughout the weekend, including a draw for two Irish Rugby jerseys by Vodafone at the ILCU ICT stand. Vodafone is the service provide for ILCUNet, which provides fast and secure access methods connecting credit unions, enabling secure connectivity, supporting Transfer of Engagements and continuity of services with primary and backup lines. The winners were Collette Dunne of Greenhills Credit Union Ltd. (pictured) and Maeve Douglas of Buncrana Credit Union Ltd. The jerseys were presented by David Byrne of Vodafone.

CU FOCUS INTERVIEW: ILCU PRESIDENT GERRY THOMPSON

What style of leadership do you bring to the role of ILCU President?

In a cooperative movement it's appropriate to try to be an inclusive leader as much as possible. While I'm extremely honoured to be elected President of the Irish League of Credit Unions (ILCU), I consider myself part of a broader leadership team. In my mind, all 13 ILCU Directors are the leadership of the movement. On a day-to-day basis I will be working closely with Vice-President, Eamonn Sharkey, Treasurer, Helene McManus, and CEO Ed Farrell. ILCU decision-making structures are sometimes felt to be cumbersome, but they are democratic and if decision-makers can apply a cooperative mindset, it will lead to better and wiser decisions overall.

In practice, I would hope to lead by example, in that I won't ask anyone to do work that I'm not prepared to do myself. I've experienced the human value of credit cooperation from many angles in Ireland and abroad, and I hope I can leverage my experiences to provide good, honest leadership in the Irish movement.

What are your main areas of priority for your term as President?

There are three areas I'd prioritise - Movement Unity, Movement Unity and Movement Unity. This wonderful credit union movement of ours is a direct product of inspired social entrepreneurship, and today I believe it is full to the brim with talent and genius, both at Board and staff

level. To me it's obvious that, considering the extent of the external and market pressures for credit unions, competing development initiatives within our relatively small movement makes absolutely no business sense. The Presidency of the ILCU is a very short-term role, so one cannot aim to change the world, but sometimes the very best solutions are the simplest ones. While complexity is increasingly part of our everyday narrative and our modern business setting, it would be wise, nonetheless, to reflect on the fundamental simplicity of our businesses - financial intermediation.

We are so fortunate that each credit union has the implicit trust and confidence of its members. What we must do centrally is to work cooperatively at building the shared services infrastructure to help credit unions deliver improved and more efficient financial services, and better, more diverse products to these same trusting members who are open to doing business with us. Yes, the ILCU can contribute much more in terms of innovation and service development, and it will, but the whole movement needs to find some way of partnering centrally, so that we can leverage the unstoppable power of a united mutual sector.

What are your views on the current regulatory environment in which credit unions operate in both Republic of Ireland and Northern Ireland?

Irish citizens North and South, who experienced the financial and banking crash, will not need reminding that we need good and appropriate regulation to protect our people from any such recurrence. I respect the roles of our regulators as the respective statutory agencies charged with protecting the financial system and the funds of consumers. As credit unions however, our members are our Alpha and our Omega. So our whole structure is designed to protect our members' interests. This is perhaps where our perspective differs from a regulator's perspective, in that we are concerned with the totality of the members' interests - not just the members' funds.

Of course Irish credit unions have grown into sizeable financial institutions, and as





Outgoing ILCU President, Charles Murphy, presents Mr Thompson with the chain of office

such, attract the interest of regulators in light of the risk they pose to the financial market - and rightly so. It's not that simple however. The fundamental characteristic of a credit union that external stakeholders find it most difficult to understand is that it is a social intervention (rather than a financial one), aimed at improving the lives of individuals, communities and society at large. Yes credit unions are that ambitious! Our ongoing challenge is to continue trying to inform and educate society, and our external stakeholders, as to the fundamentally different nature that credit unions embody as against conventional for-profit institutions.

What are your views on the development of the credit union movement into the future? Are there any specific areas which you would particularly like to see developed and enhanced?

I believe it's about balance. Holding on to our values and our personal touch is key, while driving innovation on modern and emerging digital services, thus making it ever easier to do business with us. We also need to make credit unions the first

choice for doing your financial business, North and South. With current trends in consolidation, I think it's important that we hold on to our considerable footprint across communities, both rural and urban. Our common bond structures are a fundamental of the movement, since its inception, and I think it's strategically important that we take care not to undermine this key pillar of the Irish credit union movement. In practical terms, I think we must move beyond our past failures and recognise that if credit unions are to survive, they will need much, much more in terms of efficient, centrally provided services and back-office supports. Again, simplicity to me is the key. Let's do the heavy-lifting together as a united movement, rather than replicating and repeating the tasks in different ways and to much lesser effect.

Any final thoughts that you would like to share with readers of CU Focus?

I really admire good credit union leadership. I see it at every level of our movement. While we are renowned globally as a volunteer-led movement, I

see magnificent leadership at both staff and Board level. I salute the myriad of wonderful individuals who have more or less pledged their lives to delivering credit union services to their communities (and I include industrial communities).

I am acutely aware of the increasing pressures on all credit union people to comply, and to align, with what seems ever more onerous requirements. Credit unions and their leaders however have done magnificently well to endure throughout an unprecedented rate of change over the last decade or more. So, having done the heavy lifting, all I can do is to urge credit unions (and their Boards of Directors in particular) to see their glass as half-full rather than half-empty. I understand the workload and the frustrations, but be assured the ILCU wants to assist Boards to lead their credit unions into a future of growth and prosperity. Credit unions have been a vital part of this islands' social and financial services infrastructure for decades, and we need strong leaders at credit union, Chapter and ILCU levels if we are to endure and prosper.



28TH ALL IRELAND CREDIT UNION SCHOOLS QUIZ

Quay National School, Ballina, Co Mayo, and St Cronan's Boys National School, Bray, Co Wicklow were crowned the national winners of the 28th All Ireland Credit Union Schools Quiz. They beat off stiff competition from their rival teams in their respective age categories at the grand final in the RDS, Dublin on Sunday 7th April.

The hotly contested quiz is run by the Irish League of Credit Unions (ILCU) each year and attracts more than 25,000 participants. The local and regional knockout rounds were organised by credit union volunteers and took place in over 300 venues between January and March. More than 90 teams-of-four from across the island of Ireland made it through to the national final following the knockout stages at local and regional level. The participating teams were accompanied by families, relatives, teachers and friends who enthusiastically cheered them on throughout the afternoon.

This year's Quizmaster was well-known Today FM DJ Fergal D'Arcy, while Beat 102103 FM DJ Emma Nolan was MC for the day. The duo ensured that the children were well entertained by staging a mass floss-off dance competition, and a giant mannequin challenge during the morning. Children were also queueing at the DJ box to have their requests played throughout the morning.

When it came to crunch time and the Quiz began, Fergal D'Arcy ensured the atmosphere remained light-hearted while the competing teams grappled with the more difficult questions.

Following the final, fiercely competitive rounds, the victorious teams were:

Competition A Winner: Under 11 years of age: Quay National School, Ballina, Co Mayo, representing Ballina Credit Union Ltd. (Ronan Doyle, Aoife Sherry, Peter Baynes and Cian Hannon).



Quizmaster, Today FM's Fergal D'Arcy, with MC Emma Nolan, of Beat 102103 FM, at the Schools Quiz Final



Winners of the under 11 years category of the Schools Quiz; Quay National School, Ballina representing Ballina Credit Union Ltd.

Competition B Winner: 11-13 years of age: St Cronan's Boys National School, Bray Co Wicklow, representing Core Credit Union Ltd. (Luke Cullen, Josh Dunford, Adam Hagan and Ben Kelly).

There was also a runner-up team in Competition A and two joint runners-up in Competition B. They were;

Competition A Runner-Up: Dromclough National School, Listowel, Co Kerry, representing Listowel Credit Union Ltd. (Ronan Kelly, Cara Leahy, Marcos Leahy and Joseph McElligot).

Competition B Joint Runners-Up: St Joseph's National School, Skibbereen Co Cork, representing Muintir Skibbereen Credit Union Ltd. (Fiona Geary, Lucy Stevens, Eabha O'Donovan and Rebecca O'Regan).

St Colmcille's National School, Mullingar, Co Westmeath, representing Mullingar Credit Union Ltd. (Hugh O'Sullivan Sexton, Luke Jackson, Zofia Bielicka and James Flynn).

The winning teams received €1,250 for each of their schools, and also received an Amazon Echo. The runner-up teams in each category received €750 for their schools. All team members received fitbits, and every child taking part in the quiz received a certificate of participation.

The questions for the quiz are compiled each year by primary school teachers and cover topics such as geography, history, music, literature and sport. The event is a popular fixture on the annual schools' calendar and aims to encourage and develop teamwork and collaboration between schoolchildren. It is one of the central events in the ILCU's programme of youth initiatives.

Speaking at the event, ILCU Head of Communications, Paul Bailey said "Every child who took part in all stages of the quiz should be very proud of their achievement. The hard work and preparation they put in will stand to them in the future. Teachers and parents are also deserving of praise for the time and effort dedicated and the support they gave. The grand final here today was fiercely contested, and our two winning teams are extremely deserving of their prizes. I hope everyone taking part today enjoyed the event as much as those of us who watched on as spectators."



Winners of the 11-13 years category of the Schools Quiz; St Cronan's Boys National School from Bray representing Core Credit Union Ltd.



INAUGURAL IRISH-AMERICA CREDIT UNION EXCHANGE

In February 2019, the Irish League of Credit Unions (ILCU) and the World Council of Credit Unions (WOCCU) arranged an exchange programme between four Irish credit unions and four US credit unions, based in Louisiana. The first leg of the exchange programme involved the Irish credit unions visiting the US credit unions in New Orleans. The Irish credit unions involved were Capital, Mullingar, Malahide & District and Buncrana Credit Unions Ltd.

On the first day of the visit, the Irish delegation attended a joint session with Ed Farrell, ILCU CEO and Charles Murphy, ILCU President. A very warm welcome was received from Anne Cochrane, the recently retired CEO of the Louisiana League of Credit Unions. Anne was elected as the first female Chair of WOCCU in 2015, is a Dublin native and is very proud of her Irish roots. She played a crucial role in making the Irish/US credit

union exchange programme a reality.

Brian Branch, WOCCU CEO, delivered a very insightful presentation on the issues and challenges being faced by credit unions in the US, Ireland and around the world.

The rest of the week in New Orleans was spent in a series of in-depth meetings, covering a range of operational and governance matters, with the US partner credit unions.



Some of the members of the credit union exchange group

Capital Credit Union and Jefferson Financial Federal Credit Union

by Gerry McConville, CEO Capital Credit Union

Capital Credit Union Ltd. was matched with Jefferson Financial Federal Credit Union Ltd. (JFFCU), which has expanded at a tremendous pace in recent years, and now has 20 offices.

The delegates from Capital Credit Union spent their week with Mark Rosa, the JFFCU CEO, and members of his team. We found them to be very open and willing to share many insights into the success of their credit union. While the regulator in the US can be challenging, there does not appear to be the same business model limits that apply in Ireland.

The topics covered during the week were wide-ranging and included information technology, membership growth, lending growth, digital transformation, volunteer development and strategy. We had the opportunity to sit in on a number of operational meetings.

The hospitality of our JFFCU hosts was superb, and we also managed to get a wee bit of free time to enjoy the sights, sounds and tastes of The Big Easy. We even had an opportunity to wear our beads in the Mardi Gras parade!

Buncrana Credit Union and GNOF Credit Union

by Breda McConigle, Business Development & Marketing Manager Buncrana Credit Union

Representatives of Buncrana Credit Union Ltd. were matched with Greater New Orleans Federal Credit Union Ltd. (GNOFCU). The team couldn't have been more welcoming, and we had an amazing experience.

We found a lot of similarities between our credit unions – we had similar membership numbers and their strategic goals were almost identical to our own (increasing membership and loans and strengthening community engagement). They have offered services to members for a number of years that the Irish movement is only now developing, the main ones being debit cards, current accounts and mortgages. One of GNOFCU's challenges was getting enough liquid funds to meet lending demand, whereas we (like most Irish credit unions) have the opposite problem, in that we cannot get enough of our funds lent to members. We could only dream of their loans to assets ratio (over 80%)!

US credit unions participate in a number of movement-led initiatives which have diversified and improved their member services, including a nationwide branch co-operative network and motor loan financing. It would appear that they have greater scope within their regulatory framework to develop their business models.

Overall, we had a wonderful experience, both from a credit union business perspective and also from a cultural perspective, as we were lucky to visit New Orleans at the beginning of the Mardi Gras celebrations. We would encourage other credit unions to become involved in this exchange program in the future.



The delegation had a little time to celebrate Mardi Gras!

Malahide Credit Union and GNFO Credit Union

by Vivienne Keavey, Manager Malahide Credit Union

Having reviewed the programme objectives, mainly around operations, marketing and promotion, best practice to improve and expand services to members and finally the promotion and growth of credit unions for stakeholders and the public, Malahide Credit Union Ltd. decided we were up for the challenge of the exchange. We felt that we were going to learn from the success of our US colleagues, and we could also bring value to the programme through our experience.

It became apparent that the same issues and concerns are shared by our US colleagues as the programme got underway. These are namely; membership and lending growth, digitisation, volunteer development, regulation. When we were on-site with our host credit union, GNFO Credit Union Ltd., it became obvious that although they have a more mature business model in relation to mortgages, debit cards, credit cards etc., they still have a lot of the same challenges that we have. These included aging membership, slow loan growth, difficulty filling Board vacancies, regulatory burdens, disruptive technology, membership growth and de-leveraging of debt by members. We spent the next three days discussing our various operations and processes. It was fascinating to see the way in which their model had evolved over the years but what struck me profoundly were the similarities.

Overall the experience was fantastic, from the credit union discussions to the celebrations on the world-famous Bourbon Street for Mardi Gras. Would I recommend this programme to future participants? Absolutely, if only to remind ourselves that we're better than we think!

Mullingar Credit Union and Pelican State and La Capitol Credit Unions

by Tom Allen, Manager of Mullingar Credit Union

Mullingar Credit Union Ltd. was designated to visit two credit unions in Baton Rouge City. The first was Pelican State Credit Union Ltd. They look to be a full financial service provider. They have long gone past the considerations of having a debit or credit card, or whether they should be giving out mortgages. Their lending process is highly automated, relying very much on credit scoring, which drives the decision to grant or refuse a loan application, and also determines the interest rate charged.

The second credit union was La Capitol Credit Union Ltd. They run a slightly different model of credit union than Pelican. On the lending, for example, they tend to stick more to higher grade credit score applications, hence a lower delinquency and return on asset ratios. Again they provide an extensive range of member services, rely heavily on technology and are highly automated in all areas. Their loan book is approximately \$340 million of which about \$115 million is in secured real estate loans while about \$155 million is in auto loans, which are mainly secured on the vehicle. Their most popular loan duration is 60 - 75 months which is starkly different to the Irish model, where we see a continual churning of small loans.

We are indebted to the two CEOs, Jeffrey Conrad and Michael Hopper, and their teams, for taking the time and effort to make our visit so enjoyable and worthwhile.

American credit unions are very different from their Irish counterparts. All credit unions have a drive-through facility. They have developed over the years to become larger, full financial service providers, often serving huge geographical areas with large populations. This restricts their ability to remain close to their membership, in terms of personal relationships. Technology-wise they are well ahead of us. Some people say American credit unions are 10 to 15 years ahead of us, I am not sure about this. I think it is an open question as to whether we could ever fully evolve into the organisations that they are, and indeed whether we want to, or should do!



The US-Irish Exchange group.

Meeting the Challenge - Empowering credit unions to meet their full potential.



The environment in which credit unions operate has changed enormously over the last ten years. Most significant has been the adaptation of credit union structures, capabilities and practices to a more competitive and discerning market and a more intense regulatory framework – Cyril Bennett, Head of the new ILCU Business Advice & Support Service



In response to regulatory, economic and social developments, the traditional operating business model of credit unions is being challenged. The credit union movement is a state of evolution and transformation. The key focus for credit unions is to meet these challenges, whilst maintaining their community ethos and to continue to fully serve their member needs. The importance of addressing key commercial challenges in service and sustainability requires credit unions to direct energies across defining fit-for-purpose governance structures, revenue growth, operational efficiency and enhanced capabilities.

Successful credit unions' strategic response to increased competition from other financial institutions, and low returns from investment, is to drive business development through a more robust and compliant business model, expanded product & service offerings, utilise wider distribution channels and optimise the cost of service delivery.

The Registrar of Credit Unions has set out clearly the expectations on business model development, and their recent publications indicate that many credit unions continue to struggle to operate appropriate governance structures, defined risk appetite and drive the implementation of robust strategic business plans.

For many credit unions this transformation journey is demanding and requires committed focus, resilience and support. Through the Irish League of Credit Union (ILCU), advice and support is available to assist credit unions along this journey.

Business Advice & Support Services

The Business Advice & Support Services department is a new team with a specific mandate to deliver a business-focused advisory service to credit unions, helping them to operate to the highest standards and to achieve their strategic objectives. The overall aim is to help credit unions optimise their business operating model, operating performance and help ensure the stability, safety and soundness of credit unions.

Engagement is based on a Relationship Account model, with a

designated Senior Business Advisor for each credit union. The Senior Business Advisor's mandate is to assist each credit union to define and review its business strategy, to identify key challenges in the execution/development of a robust business operating model.

The service is tailored to meet credit unions' needs and their stage on the transformation journey towards secure sustainability and viability. The services may range from:

- Review of current strategic plans
- Undertaking Strategic & Operational Performance Review
- Interpreting and advising on credit unions' PEARLS performance report
- Identification of supports for credit unions' lending strategy

Senior Business Advisors are supported by Business Advisors who will undertake themed reviews on specific areas, and by central support services based around Research and Development and Data Analytics capability.

A Range of Support Services

Based on the team's experience in the field, a full suite of support services is offered to credit unions.

These are:

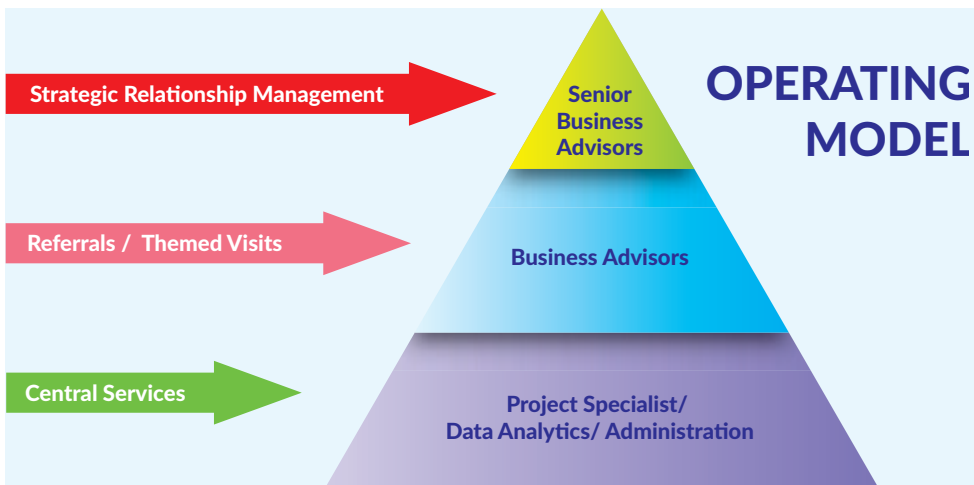
- Regulatory/Industry Update Briefing
- Strategy Development/Review
- Strategic & Operational Performance Review
- Business Development Plan
- Pearl Analytics
- Governance Review Health Check
- Risk Register Development/Review
- Post PRISM Risk Mitigation Plan development
- Loan Book Review/Assessment
- Anti-Money Laundering Assessment
- Internal Controls Check
- GDPR Compliance Check
- Pre-merger Support
- SPS Business Case Development

PEARLS Performance Reports

Since last year, PEARLS reports have been issued from the Data Analytics team in a new easy-to-read format. This allows for quick comparisons of the performance of the credit union over time and within their peer group.



Senior Business Advisors are supported by Business Advisors who will undertake themed reviews on specific areas, and by central support services based around Research and Development and Data Analytics capability.



The team will help the credit union to gain a greater understanding of this information with a straightforward explanation of what each ratio means, and what level or target the credit union should be aiming for. The team offers simple chart analysis so credit unions can identify the gaps in performance that need to be addressed.

The Data Analytics team will also provide credit unions with additional reports and analysis on topical matters from time to time, such as regulatory impact analysis and trends in lending.

Protection for Members

The Business Support and Advice team will continue to work to safeguard the interests of member credit unions and the credit union movement in general, through administration of the Savings Protection Scheme (SPS).

The mandate is to ensure each credit union has access to the professional advice and support to enable them to reach their full potential, and service the needs of members and their community. The team is available to support each credit union on their individual transformation journey to increased sustainability, viability and better member service.

To speak to a Senior Business Advisor Manager please contact:

Northern Ireland
Carmel Morris
+44 7585 3096 06
cmorris@creditunion.ie

Northern Ireland
Sinead Mc Keown
+44 7502 5474 99
smckeown@creditunion.ie

East
Aileen Quinn
+353 87 2907 607
aquinn@creditunion.ie

South East
Michael Kelly
+353 87 67534 97
mkelly@creditunion.ie

South West
Mark Johnston
+353 87 1127 429
markjohnston@creditunion.ie

North West
Una Mc Devitt
+353 87 7158 450
umcdevitt@creditunion.ie

For further assistance, please contact Nadine Flanagan at 01 6146921 or businesssupport@creditunion.ie.



Home Loans CUSO Service

The Mortgage Hub manages the Home Loans CUSO Service on behalf of Participating Credit Unions, including the relationship with the Outsourced Service Providers; Link Asset Services and Valuation Management Solutions (VMS Ireland).

SERVICE BENEFITS

- ▷ Provides operational assurance
- ▷ Standardised and robust infrastructure
- ▷ Risk mitigation
- ▷ Regulatory Compliance (S.35 / CP125)
- ▷ 'Second pair of eyes' for underwriting
- ▷ No need for a credit union solicitor
- ▷ Future proofed for Consumer Protection Code
- ▷ 'Not for profit' pricing

SERVICE KEY FEATURES

- ▷ Principal Private Residence Home Loans
- ▷ Standard Variable Interest Rate
- ▷ Standardised 'Approved' Documentation
- ▷ Standardised Property Valuation Process
- ▷ Oversight of security perfection
- ▷ Storage of title documents
- ▷ Arrears management (to follow CCMA)

SIGNED UP FOR THE SERVICE

- ▷ 25 credit unions
- ▷ Combined assets €3.2bn
- ▷ Combined loan book €882m

HOME LOAN ACTIVITY

- ▷ 20 drawn down, totalling €2.7m
- ▷ 57 in the pipeline, totalling €7.2m
- ▷ Average loan to value is 55%



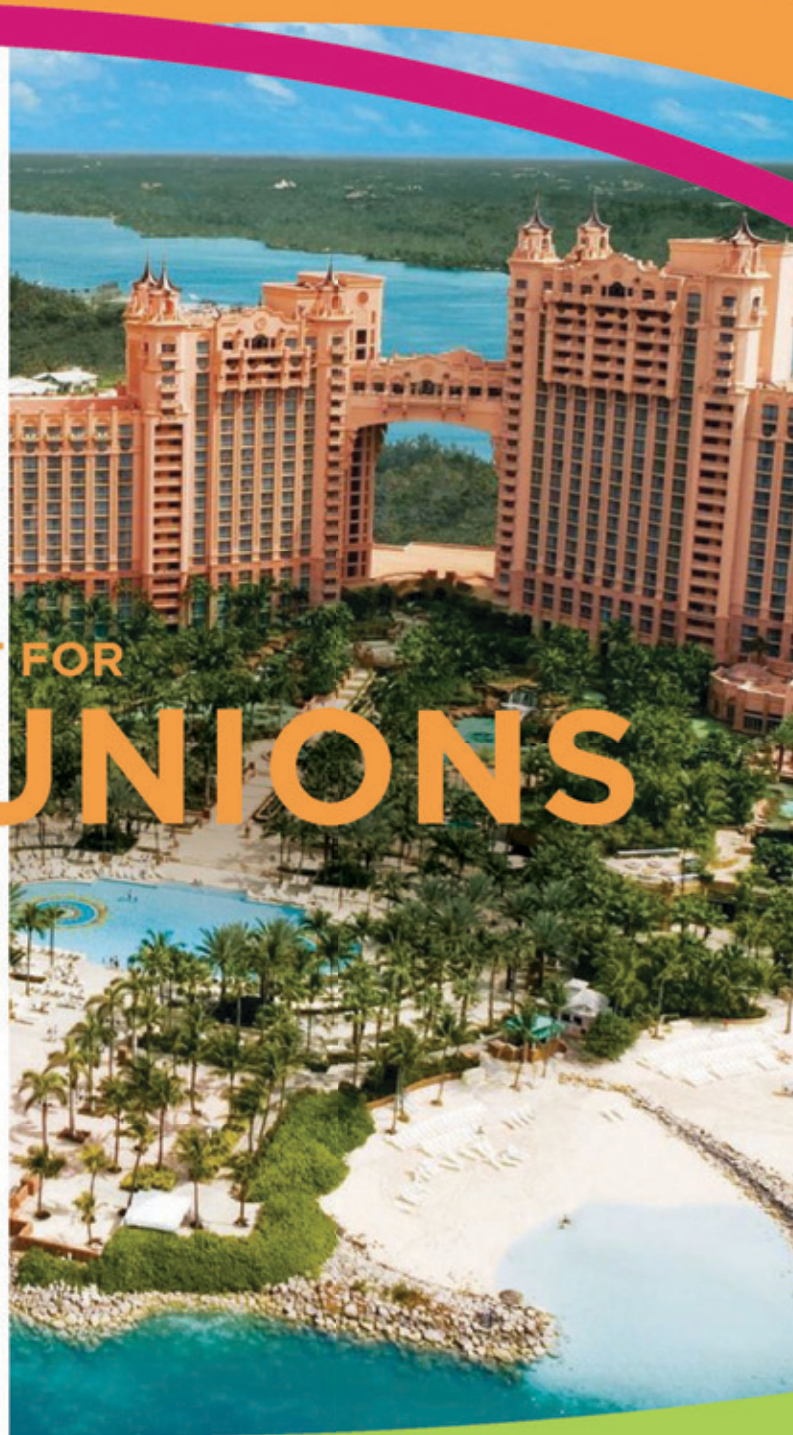
WORLD CREDIT UNION CONFERENCE
THE BAHAMAS
28-31 JULY 2019

THE PREMIER GLOBAL EVENT FOR
CREDIT UNIONS

2019 WORLD CREDIT UNION CONFERENCE

Join the World Council of Credit Unions and the Caribbean Confederation of Credit Unions in The Bahamas for the premier credit union event of 2019.

Our host country, The Bahamas, welcomes you to paradise. The Atlantis Resort on Paradise Island is your one-stop shop for rest, relaxation and learning.



World Council



CARIBBEAN
CONFEDERATION
OF CREDIT UNIONS

WWW.WCUC.ORG

SIX IN TEN CREDIT CARD USERS DON'T KNOW WHAT INTEREST RATE THEY PAY

The Irish League of Credit Unions (ILCU) commissioned new, national research into credit cards and the knowledge around interest rates. This was carried out by independent market research company, iReach Insights, in late December 2018. The findings were released to the media on March 5th 2019, and attracted coverage across newspaper and radio outlets.

The main objective of the research was to highlight the worrying lack of awareness around credit card interest rates and how interest rates are applied. To support the research, there was a month-long financial education campaign on social media. Bespoke graphics were created for the campaign which urged people to speak to their local credit unions about complex financial products, or to consider an affordable credit union loan instead of using a credit card.

MEDIA COVERAGE

ILCU Head of Marketing & Communications, Paul Bailey, was interviewed on Newstalk 106 FM's *Business Breakfast* show. He was also interviewed by the Newstalk newsroom for their news bulletins, and for their syndicated local radio stations. The interview was broadcast on both Newstalk and Today FM news bulletins. It was also aired across almost 30 local radio stations throughout the day.

In addition, articles were published on *The Irish Independent*, *The Irish Times*, *The Irish Examiner*, *The Irish Daily Mail*, *The Times Ireland* and *The Irish Sun*. Online, the story was published on independent.ie, the irishtimes.ie, breakingnews.ie and examiner.ie. In total, audience figures of over 4.9 million were reached.

RESEARCH FINDINGS

Overall the survey found that while a significant portion of the population owns a credit card, the majority do not know what interest rate they are paying. Worryingly, there is also a lack of clarity and understanding of how the interest works among those who say they do know



what interest rate they pay.

The survey found that seven in ten adults think people in Ireland rely too much on their credit cards for making purchases. More than half (57%) said they owned a credit card themselves. Almost six in ten (59%) credit card users said they were not aware of the interest rate they pay on their balance. 68% of women asked did not know what interest rate they paid, compared with 51% of men.

KNOWLEDGE OF INTEREST RATES

Of those who said they did know the interest rate they are paying, just over three in ten (31%) estimated they paid between 18% and 24% interest. One quarter said they paid between 11% and 17%. A significant 20% said they only paid between 6% and 10%, when in reality, credit card interest typically ranges from between 13% to 23% in the Irish market.

Among the same group – those saying

“Part of the core ethos of credit unions is financial education and empowerment, and people will find that credit union staff are always more than happy to provide explanations on financial terms and offer guidance on managing and clearing debt.”

they knew what interest rate they paid - there also appeared to be a lack of real knowledge of how interest was applied. For example, when they were asked to estimate how much interest they paid if they cleared their minimum monthly payment due, four in ten incorrectly said they didn't pay any interest.

Over a quarter (29%) correctly said they paid interest on the full balance from date of transaction to date of payment, as well as interest on the outstanding balance.

12% said they had no idea how much interest they would pay after clearing the minimum due.

Almost three quarters (72%) of all respondents said they did not believe credit card companies in Ireland did enough to explain the interest rates. 68% agreed that the general public lack an understanding of how the interest works.

Commenting on the findings, ILCU Head of Communications, Paul Bailey, said: “We are concerned about the lack of awareness around credit card interest, especially given the popularity of credit cards with adults in this country and the tendency to use them on a monthly basis. We would strongly urge consumers to, at the very least, really inform themselves about the rates of interest they are paying, and importantly, when they will incur interest fees. The Competition and Consumer Protection Commission website is just one of the resources available that consumers should become familiar with, as it provides simple explanations about complex financial products.”

“Part of the core ethos of credit unions is financial education and empowerment, and people will find that credit union staff are always more than happy to provide explanations on financial terms and offer guidance on managing and clearing debt. Of course, ideally, we would advise consumers to clear their balance in full, ditch the

cards for good and make 2019 the year they free themselves from unnecessary debt.”

CREDIT CARD HABITS

The vast majority of credit card owners (55%) said they will use their card for monthly ad hoc purchases in 2019. 12% said they will use it to fund a planned holiday, while just 11% said they had made a New Year resolution to throw the card away.

Based on their previous credit card habits, over two thirds (67%) said they would clear their balance in full every month. Almost two in ten (18%) said they would clear the minimum payment due.

PERSONAL CREDIT HISTORY

It appears that the majority of the population believe they have a very healthy credit rating. Two thirds said they had a perfect credit history as they had never missed a credit card or loan repayment. 13% said their credit history had suffered during the downturn when they were unable to make loan repayments, but had since improved. 10% said they had never had a loan or a credit card so did not have a credit history built up. While, worryingly, 5% said they were not aware that taking out a loan or using a credit card contributed to a credit history.

AWARENESS OF CENTRAL CREDIT REGISTER

More than half said that they had never heard of the Central Credit Register (51%). When the CCR was explained to them, the majority said the knowledge would not change their attitude towards money management. Just over two in ten said they would ensure they were more diligent with loan repayments. Four in ten said they always made loan repayments on time so no change was necessary. A further 10% said they were not worried about the impact missing repayments would have on their credit history.



Ballybay Credit Union Ltd. Celebrates 50th Anniversary

50th
ANNIVERSARY

The name Hermann Schulze-Delitzsch is perhaps not the best known name in the common bond area of Ballybay Credit Union Ltd. However the existence of the credit union is closely linked to Hermann, as he was the founder of the credit union movement in Germany in the 1950s. Ballybay Credit Union may be small, but it is part of a global network that strives to put members at the very heart of everything it does.

The credit union movement first began in Ireland in 1957 under the stewardship of Nora Herlihy, Seamus MacEoin and Sean Forde. The Ireland of the 1950s was very different to the Ireland of today. At that time high unemployment, poverty, almost non-existent unemployment benefits and high emigration were the norm. These pioneers could never have dreamed that from such humble beginnings, there would spread a movement that now has over 320 credit unions across the island of Ireland. The founders were individuals who believed in social fairness and recognised that prudent financial management lay at the very heart of people's survival. In Ballybay, the history of the credit union differs little from so many others. Its founding members were equally civic minded individuals who saw the need for a credit union in the town.

THE EARLY DAYS

In 1967, the Ballybay triumvirate of John Brennan, Pat O'Donnell and John Taffe contacted neighbours and friends about establishing a study group to explore the possibility of starting a credit union. After much studying and discussion, a public meeting was held in the Market House. The meeting was addressed by Fr Paddy Gallagher from Clones. The proposal had the full support of the town clerk, the town commissioners and neighbouring credit unions from Clones, Cootehill, Castleblayney and Monaghan.

The inaugural meeting was held in

the vocational school on February 9th 1968, and having elected a Board of Directors under the chairmanship of Rev J. T. Turtle, Ballybay Credit Union was established. The meeting was attended by the late Michael Doherty from the then Credit Union League of Ireland, and 71 people from Ballybay and the district contributed just over £35 in shares.

The names of those first directors and founders were; Rev Turtle (who was the first chairperson), Fe Maguire, Dermot Quinlan, George Corrie, Pat O'Donnell, John Taffe, John F. Conlon, Kevin Hand and Paul Flynn. Others who played pivotal roles in the early days of establishing Ballybay Credit Union were; Peadar Murnane, John McEntee, Paddy McCabe, John Brennan, Kevin Hand, TJ Connolly and Brian Gilmore. Tommy Sherry and his son Brian, both who were involved in Castleblayney Credit Union Ltd., also lent their support.

Pat O'Gara, a local solicitor, had a small office in the town and he allowed the Board to meet there, each Friday and Saturday night from 7pm to 9pm. These evening meetings were chaired by Oliver Creegan, Bonnie Duffy and Paul Flynn. On the first week of opening, over £400 was collected, which at that time was a lot of money. Five weeks on from that, Ballybay Credit Union issued its first loan of £207. In the first year, around £2,000 had been collected and loans of over £2,100 were authorised.

For the first three or four years, the meetings were held in the town clerk's office, but Rev Turtle, as chairman, was constantly on the look-out for an office. A local auctioneer, Samuel Browne, had a premises opposite Birch Court and the decision was made to buy it for £1,000. Opening hours were extended and fortunately for the credit union, Marie Smith worked as a volunteer for a number of years. The early operation was very much a 'pen and paper' enterprise and Marie was an expert at keeping the books in order.



Opening of new premises 1997



Staff at opening of new premises 1997



Ballybay Credit Union 50th AGM Staff

“
Pat O'Gara, a local solicitor, had a small office in the town and he allowed the Board to meet there, each Friday and Saturday night from 7pm to 9pm.



Ballybay Credit Union 50th AGM; Board of Directors, Board Oversight Committee and Volunteers

CONTINUED GROWTH

The advent of the nineties also saw the introduction of the computer, and that began to change how the business was run. Nonetheless, the arrival of the new technology did not take away from that personal face-to-face interaction that has always been the hallmark of Ballybay Credit Union. The credit union is always mindful that there is an important place for new and innovative ways of doing business, but without losing sight of the people of the credit union – the members.

Ballybay Credit Union continued to grow and in 1997, Marie Smith retired and was replaced by Mary Duffy on a full-time basis. Mary's husband, Alo, was a very influential and progressive Chairman of the Board, and the people of the area recognised the benefits of membership of the new vibrant organisation.

Ballybay as a town however was beginning to suffer economic decline, like so many other small rural towns around the country, and its streetscape reflected this demise. In 1995, the credit union took the bold step of purchasing two adjoining buildings in the town centre to develop a new permanent home for the business.

Seamus Watters was the first full-time manager, and on retirement he was replaced by the very experienced Mary



50th anniversary

Duffy who steered the credit union through many innovative changes that would support members' financial needs. In December 2018, Mary Duffy retired after 29 years and was replaced by Patrick Conlan. There are six full-time staff; Marie O'Neill, Christina Weldon, Ann Lynch, Miriam Brennan, Brid Comey and Louise Brady.

The Board of Directors includes Peter Mc Guirk (Chairman), Tommy Mc Cormick, Ruairi Ward, Angela Mc Entee, Michael Gilmour, Jim Kerr, Michael Lavelle, Eddie Barker, Damian Macklin, Davina Steenson and Ken Farmer. Fiona Mc Grath, Rosaleen Markey and Elsie Carragher form the Board Oversight

Committee. Ballybay Credit Union has grown in size throughout the years and now has assets of over €23,000,000, and a membership of over 4,500.

So many things have changed over the past 50 years, and not always for the best. However, one thing that has not altered is the level of concern and care that the staff of Ballybay Credit Union has for its members. The positive, friendly atmosphere that existed between staff and members right from the outset 50 years ago, still exists and will continue into the future. The credit union very much looks forward to the next 50 years.



Volunteer Coaching Programme 2019



1



2



3



4

In January and February seven volunteers travelled to West Africa to participate in the Volunteer Coaching Programme. This is the tenth year of the programme. The volunteers spent two weeks in Sierra Leone and The Gambia working with the ILCU Foundation's credit union partners.

During the two weeks, the volunteers saw how the credit unions operate and provided expert support and help to partners to help address the challenges they face. Many thanks to our volunteers; Bernie Moran (Roscommon Credit Union Ltd.), Ted O'Sullivan (Douglas Credit Union Ltd.), Barry Treacy (Youghal Credit Union Ltd.), Michael Byrne (Core Credit Union Ltd.), Rosaleen Bradley (Newington Credit Union Ltd.), Alan Duff (Health Services Staff Credit Union Ltd.) and Pauline Tourish (B&S Credit Union Ltd.).

The two weeks comprised of visiting a

number of credit unions to review their operations, address their challenges and put forward recommendations. In addition, the volunteers hosted a two day workshop to provide training on particular topics to credit union staff and volunteers. The transfer of skills and knowledge by the volunteers is greatly appreciated by the ILCU Foundation's partners. The help and support provided to them enables the partners to find solutions to the challenges they face, as they strive to operate credit unions that ensure financial inclusion for all. Despite being on different continents, with different cultures there are more similarities than differences!

The coaches also had the opportunity to meet credit union members, and hear about how the credit union is making a real difference in their lives. Seeing at first-hand the members, the staff and the

volunteers allows the volunteers to see how important the credit union is to people and communities. The ILCU Foundation, and its partners, are very grateful to the volunteers for giving their time, and to their Board, for this endeavour.

What did the volunteers say about their experience?

"To be able to visit one of the countries which benefit from our support and come back and share my experience, enables me to highlight the needs of small rural communities who live in abject poverty. The Gambian credit union volunteers and staff are so keen to enhance their knowledge and skills to develop their credit unions and I hope in the coming years they go from strength to strength."
Rosaleen Bradley



5



6



7

“The structures are pretty much the same as in Ireland. The average credit union loan out there is €30, which is a lot of money to them. But they are very resourceful. We met people who bought their own homes and educated their children on the back of credit union loans.” *Bernie Moran*

“Through our visits and workshops, I hope that we have been able to share some of our story and success that they can learn from. There are significant similarities between our two countries and it is great to see strong cooperation between us.” *Michael Byrne.*

“In The Gambia there is a serious distinction between the rural and industrial credit unions, and the industrials appear to be more robust in terms of lending, savings and growth. The credit union movement is ripe for

promotion. I loved my experience – it took me out of my comfort zone to do it.” *Alan Duff.*

“In the 1960s, representatives from America and Canada shared their expertise, knowledge, and skills with their Irish credit union counterparts. This has now come full circle and it was our turn to pass on our learnings to the next generation of credit unions.” *Ted O’Sullivan*

“The work [the ILCU Foundation] does is, literally, life-changing, and I couldn’t be more thankful to be involved in some small way. I cannot thank them enough for their help, support and guidance and for their determination to alleviate poverty in developing countries by supporting credit unions.” *Barry Treacy.*

To find out more about their experience please visit www.ilcufoundation.ie

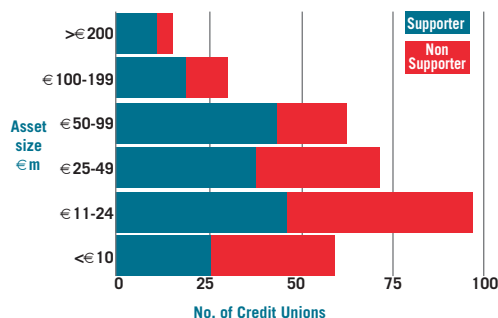
1. *Ted O’Sullivan, Douglas Credit Union, discussing ratios with workshop participants*
2. *Bernie Moran, Roscommon Credit Union speaking with Amadu Alpha from Godrich Cooperative Credit Union*
3. *Alan Duff with Omar Jassey (NACCUG) and staff and Board members from Foni Berefet Credit Union*
4. *Michael Byrne and Rosaleen Bradley meet with credit union Board members in the Bwiam region*
5. *Rosaleen and Michael with Foday Sangyang, NACCUG and representatives from GAMTEL Credit Union*
6. *Volunteer coaches hosted a two day workshop for staff in The Gambia.*
7. *Sierra Leone credit union staff and volunteers with the volunteer coaches*



ILCU AGM

The ILCU Foundation was delighted to welcome George Ombado, CEO, African Confederation of Cooperatives Savings and Credit Associations to speak at the ILCU AGM. George spoke about Financial Inclusion in Africa. ACCOSCA is the representative body for financial cooperative movements in 28 countries in Africa.

Their focus is to support their members by providing technical programmes to enhance their respective organisations and to bring services to the people not generally served by the formal financial sector, therefore ensuring everyone has access to savings and loans. In Africa he noted that the motto for credit unions is credit union, happy family, it is a model of inclusivity. George spoke of the challenges facing credit cooperatives across the continent including; establishing more women in positions of leadership, engaging the younger generation, using technology effectively to ensure access for members, putting governance structures in place and ensuring adequate data management. George thanked the ILCU Foundation for their support of the credit union movement in Africa, and for hosting an ACCOSCA delegation in 2018. He said he looked forward to a continued partnership which will contribute towards long-term growth of financial co-operatives in Africa. Following the presentation, George had the opportunity to meet with a number of representatives from credit unions in the Irish movement. Alan Moore, CEO of the ILCU Foundation gave a brief presentation on credit union contributions, which are down 25% on the previous year. The graph shows the number of credit unions who contribute and do not contribute based on their asset size.



George Ombado, CEO of ACCOSCA



Mary O'Reilly, The Lough Credit Union, Alan Moore, ILCU Foundation, Pauline Tourish, B&S Credit Union and George Ombado, ACCOSCA.



Sean, Danny, Roisin and Sally from Ballinascreen Credit Union at the Foundation stand.



Bernie Moran, Dave McAuley, Alan Moore, ILCU Foundation, Vivienne Keavey, Maevé Douglas, George Ombado, ACCOSCA and Kevin Morahan.

Cooperation among Cooperatives

In February, a delegation from the two national representatives for credit unions in Moldova visited Ireland to participate in a study visit. The delegation were keen to learn about the Irish credit union movement in an effort to further strengthen their own credit unions (known as Savings and Credit Associations). The delegation were welcomed in Monasterevan and Heritage Credit Unions Ltd., the visits to the credit unions allowed the delegation to discuss all things credit union, and gather a good deal of relevant information to bring back with them to their respective credit unions. Thanks to both credit unions for their time and hospitality.



Al McCauley CEO, Alan Roche, Operations Manager, Marie Kelly, Vice Chair with the delegation from Moldova and representatives from the ILCU Foundation.

For regular updates on the work of the ILCU Foundation, follow their Facebook, Instagram, Twitter and LinkedIn feeds. You can also subscribe to the ezine on www.ilcufoundation.ie. For more information, please contact Sinéad on 01 614 6945 or slynam@creditunion.ie

Portarlington Credit Union Celebrating 50 Years & Still Growing

50th

On March 24th 2019, Portarlington Credit Union Ltd. was very proud to celebrate its 50th anniversary.

Milestones

The credit union started from humble beginnings. They operated out of two different rented premises on the Main Street in the early years, and achieved a number of milestones over the course of the 50 years. Some of these milestones are included below:

- 1969: first loan application for £5. The membership fee was half a crown.
- 1971: 182 members.
- 1976: 300 members.
- 1981: Moved to a new building in Crowe Street.
- 1986: Shares increased by £100,000 in a year for the first time. The first full-time manager, Maureen McEvoy, was appointed.
- 1991: Shares and loans topped the £1,000,000 barrier and membership rose to 1,844.
- 1997: Death Benefit Insurance of £1,000 per member was introduced (currently €1,300 per member).
- 1999: Moved to new premises on Upper Main Street in September 1999.
- 2008: Maureen McEvoy retired after almost 40 years' service and Michael McEvoy was appointed.
- 2019: Having served the community for 50 years, Portarlington Credit Union continues to be a very successful independent credit union with over 10,000 members, €54 million in assets, €45 million in shares, and €26 million in loans to members.

The credit union's current Board includes;

Thelma Carroll, Colm Coleman, Sharon Culliton, Bridie Keegan, Liam Kirwan, Kieran Madden, Liam Murphy, Breda O'Connell & Rosaleen O'Kane.

The Board Oversight Committee is;

Janet Bennett, Jacqueline Evans & Shane Murray.

50th Anniversary Celebrations

To mark the occasion, members celebrated with a very well attended Members' Day on Thursday, March 21st at the credit union office. They also had a celebration night in the Heritage Hotel in Killenard on Saturday, March 23rd for all volunteers and staff past and present. Both occasions were marked with the cutting of a cake. Kathleen Murphy, long serving member and former director, was on hand to cut the cake at the Members' Day. Harry Dempsey, founder-director, and Maura Lawlor, long serving director, did the honours at the volunteer celebration night.

Also at the volunteer night, current Board director, Bridie Keegan, was recognised for recently completing 40 years of outstanding service. Her commitment to the credit union cause during those 40 years has been unswerving, at both local and Chapter level. Over that time, she has served in a variety of capacities including; supervisor for the first two years, Board director for the next 38 years, treasurer; Chapter delegate and currently Chapter secretary. She has also served on the Credit Committee throughout that period. Her on-going contribution is greatly appreciated.

The credit union is very grateful to its many loyal members and looks forward to serving them for many years to come.



Applying Fitness and Probity in the Credit Union

It was widely reported in the national media in early April 2019, that the Central Bank of Ireland (CBI) had discovered anomalies of due diligence practices associated with the Fitness & Probity (F&P) Regime in the broad financial services sector. The regime was introduced in 2010 to ensure individuals acting in the sector meet the highest standard of competence, integrity and honesty. Recent media coverage is a timely reminder of credit union obligations. The core function of the F&P Regime is to ensure that persons in senior positions are competent, capable, honest and ethical while employing integrity in financial sound decision-making.

The Central Bank Reform Act, 2010 was applied to credit unions for the first time in 2012, placing credit unions under a F&P regime. The regulator’s aim was to improve the overall governance standards at Board and management level in credit unions. It aimed to do this by ensuring that individuals who exercised ‘significant influence and control’ over their credit unions were ‘capable, competent and financially sound, with the appropriate skills, experience, knowledge and

integrity to manage and govern their credit union’. The outcome being that credit union members would retain confidence that those in senior positions in the credit union were ‘fit and proper’ to undertake their responsibilities.

Controlled Functions

F&P requirements apply to those in the credit union who hold what are termed Controlled Functions (CF). CFs fall under two headings;

1. Those who exercise significant influence on the conduct of affairs.
2. Those whose roles relate to ensuring, controlling or monitoring compliance.

Specific CF roles are illustrated in the diagram below, but it should be noted that any such role as the credit union deems necessary is also considered a CF, as part of the F&P Regime.

Pre-approval Controlled Functions

The CBI also has the power to prescribe a sub-set of CFs as functions for which the prior approval of the CBI is required, before a person can be appointed. These functions are

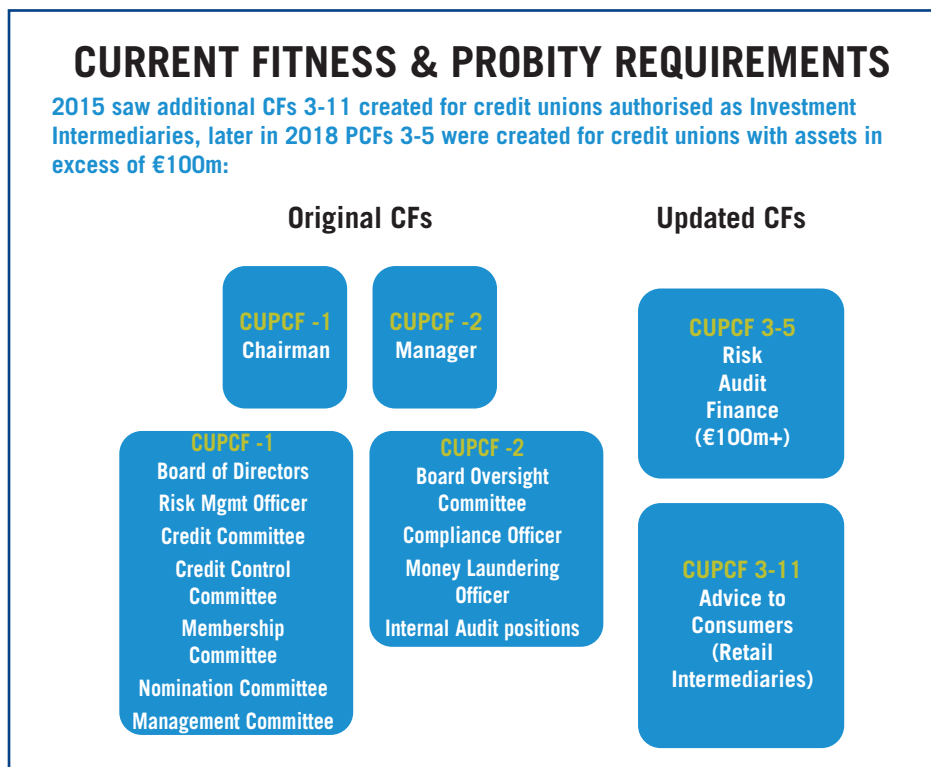
called Pre-approval Controlled Functions (PCF). F&P standards originally identified two roles within the credit union, the Chair of the Board and the manager as PCFs.

Updated last year, *Guidance on Fitness & Probity for Credit Unions* reflects the introduction from July 1st 2018 of three additional PCFs for credit unions with total assets of at least €100 million:

1. Risk Management Officer (CUPCF-3),
2. Head of Internal Audit (CUPCF-4) and
3. Head of Finance (CUPCF-5).

In addition, credit unions authorised as insurance intermediaries have also seen the extension of Controlled Functions (CF 3-11) to most staff officers providing regulated products to members.

The CBI advises that; “*The approval process will require the submission of an Individual Questionnaire specific to credit unions. In the case of elected PCF roles, credit unions and PCF applicants should be mindful of the fact that approval should be sought and received from the Central Bank in advance of the Annual General Meeting.*”



Credit Unions Compliance with F&P

As part of the F&P process, credit unions have to be satisfied and be able to demonstrate that all holders of CFs meet the standards as outlined under F&P. These standards fall into three key categories; competence & capability, honesty & integrity and financial soundness. The diagram below outlines the constraints and restrictions by which credit unions are expected to demonstrate an officer meets those standards under the categories.

F&P – Requirements

Assess Officers under the three categories:

Competence and Capability

- Relevant experience
- Relevant training & qualifications
- Conflicts of interest

Honesty, Integrity and Ethics

- Disqualified director
- Subject to FSO / CBI complaint
- Director of struck-off company

Financial Soundness

- Unsatisfied judgement debt
- Undischarged bankruptcy
- Director of insolvent entity

The CBI has identified the following as areas of concern relating to general practices in the financial sector relating to F&P:

- **Failure to provide for the Ongoing Nature of the Obligation.**
- **Failure by Firms to report issues to the Central Bank.**

Therefore, credit unions are advised to review F&P policies, procedures and practices to address any shortcomings. Credit unions

should also identify any potential gaps in their F&P programmes - in particular the due diligence measures employed on both new and existing CF personnel. Particular emphasis should be placed on the documentation supporting F&P, and the requirement for annual confirmation of continued adherence to the F&P standards.

Guidance on Fitness & Probity for Credit Unions is available to download from the CBI website, www.centralbank.ie. Information is also available in the affiliate area of www.creditunion.ie via the Legal

Department's F&P section.

To understand your obligations, and help prepare your credit union for possible CBI audit activity, **CU Learning & Development** is offering evening courses this summer. These courses will cover CBI expectations for F&P, best practice on due diligence and ongoing application of the standards of F&P for credit union officers.

This course is **now available to book** on the CU L&D Training Schedule (see below for dates and locations) at www.culearn.ie

Applying Fitness and Probity in the Credit Union

Date: May 30th	Time: 7.30pm	Carlton Hotel, Dublin Airport
Date: June 6th	Time: 7.30pm	Hodson Bay Hotel, Athlone
Date: June 13th	Time: 2.00pm	Rochestown Park Hotel, Cork
Date: June 20th	Time: 7.30pm	Newpark Hotel, Kilkenny

DIGNITY IN THE WORKPLACE – BULLYING & HARASSMENT PREVENTION

All employees have the right to be treated with dignity, respect and courtesy. They have the right to a workplace free from bullying, harassment, discrimination and victimisation, and to be valued for their skills and abilities. Dignity at work covers behaviours that constitute discrimination, bullying, harassment and sexual harassment.

Workplace bullying is **repeated** inappropriate behaviour, direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another or others, at the place of work and/or in the course of employment, which could reasonably be regarded as undermining the individual's right to dignity at work.

Bullying can happen in any organisation or workplace, and anyone can be a victim of it. Workplace bullying can have severe effects on anyone subjected to it including anxiety, depression and physical harm. It is a problem across ages and environments, and bullying in the workplace can be commonplace. Whether it's a critical boss singling out one employee to blame and punish, or a workforce playing repeated pranks on a colleague, or choosing to ignore their contributions to a project, workplace bullying is on the rise.

Bullying can affect a victim's life and relationships outside of work. It is in everyone's best interests to prevent workplace bullying, and put a stop to it wherever it occurs. By working together to develop effective policies and procedures, and being vigilant in recognising and addressing bullying, healthier and safer workplaces for everyone can be achieved.

What's the difference between bullying and harassment?

Many people are not aware of the difference between bullying and harassment.

Workplace bullying is repeated inappropriate behaviour, direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another or others, at the place of work and/or during the course of employment, which could reasonably be regarded as undermining the individual's right to dignity at work.

Harassment is any form of unwanted conduct related to any of the nine grounds of discrimination under the Employment Equality legislation. These are namely gender, civil status, family status, sexual orientation, religious belief, age, disability, race or membership of a Traveller Community, which has the purpose or effect of violating a person's dignity and/or creating an intimidating, hostile, degrading, humiliating or offensive environment for the person.

Sexual harassment is any form of unwanted verbal, nonverbal or physical contact of a sexual nature.

How common is bullying in the workplace?

In surveys carried out across Ireland and Britain, it is estimated that four out of five workers have been bullied during their careers. The ESRI carried out a report which stated that 8% of workers had experienced bullying within the last six months, with women about twice as likely to be at risk from such behaviour.

How to spot the signs of bullying

Workplace bullying involves negative behaviour targeted at an individual, or individuals, repeatedly and persistently over time.

Managers sometimes dismiss accusations around bullying as simply personality or management-style clashes, whilst others may recognise the problem but lack the confidence or skills to deal with it. When even those in charge are ignoring signs, it can be difficult to determine what is and is not bullying.

Bullying in the workplace could be in person, or online. In fact, many bullies suddenly feel a lot braver when they can target people through a computer. But it won't go unnoticed, nor should online bullies get off scot-free with such damaging behaviour. Bullying could include:

- Name calling
- Ignoring, isolating or excluding
- Belittling
- Scapegoating
- Manipulation of roles
- Setting you up to fail
- Spreading rumours
- Giving you meaningless tasks
- Aggressive behaviour

What employers can do to prevent bullying

As an employer, you have a responsibility for your employees. Not only is it the right thing to do, but you have a legal duty under the Health and Safety at Work Act to ensure the health, safety and welfare of your employees – and that includes protection from bullying and harassment.

It is in the interests of every business to make it clear that bullying will not be tolerated, as the effects include:

- Poor employee relations
- Hostile working environment
- Inefficiency
- Potential loss of staff
- Loss of respect for superiors

The first step is to develop and implement a policy and procedure for dealing with the prevention of bullying and harassment, provide training for all staff and management and manage discipline and grievances at work. It is important to create a positive workplace, making the credit unions core values clear to all, improving transparency, communicating goals clearly, allowing people to perform without fear of failure and give and receive regular feedback.

Managers and supervisors have a particular responsibility to promote dignity in the workplace for all. They should be alert to the possibility of bullying behaviour, and be familiar with the policies and procedures for dealing with allegations of bullying. Their behaviour may be modelled



by others, as it may be considered acceptable. That's why managers, supervisors and those in authority should be aware of their own behaviour at work and not engage in improper conduct in any form.

Workplace watch on harassment and bullying

Ask employees to be watchful for harassment and bullying in the workplace and assume responsibility for speaking up. Encourage employees to intervene if they feel it is appropriate and the situation does not pose any personal danger.

Ask employees to report the situation to their line managers/supervisors, providing as many details as possible.

Reassure all employees that they should come forward without fear of

embarrassment or reprisal, and ensure that those who receive these reports are competent to do so effectively.

Complaints

Make sure employees know:

- Who to talk to if they believe they are being harassed or bullied.
- Specific procedures for reporting an incident when the alleged harasser or bully is a senior leader, supervisor or someone acting on behalf of the employer.
- How to initiate a complaint, either formally or informally.

- How they will be protected.
- How vexatious or frivolous complaints with malicious intent will be addressed.
- What will be expected of them in an investigation.

Investigation

Make sure employees know:

- Who will conduct the investigation.
- How the complaint will be investigated.
- Rights of involved parties to representation.
- Timeline for investigation.
- Mechanism for appealing a decision.

If you have any queries relating to this article, or indeed any HR queries or concerns, please do not hesitate to contact the ILCU HR Department;

Margaret Davern, HR Advisor on mdavern@creditunion.ie
 Maura Behan, HR Executive, on mbehan@creditunion.ie

2 Source: ACAS Guidelines: Bullying and harassment at work: a guide for employees



The Domestic Economy

OVERVIEW

The Central Bank of Ireland (CBI) believes that while the underlying outlook for growth in the Irish economy remains positive, it is subject to heightened levels of risk and uncertainty related to the future path of the Brexit process. The CBI's central projection continues to assume that a disorderly, no deal Brexit scenario can be avoided, and that trading relationships between Ireland and the United Kingdom will remain unchanged over the forecast horizon. However, the risk of a disorderly, no deal Brexit cannot be fully ruled out. A disorderly Brexit would have immediate and material economic implications, permeating all areas of economic activity. In the event of such an outcome, the economic outlook for the coming years would be revised down significantly.

If a disorderly, no deal Brexit is avoided and a transition agreement is in place, the outlook for growth in the Irish economy remains positive, albeit subject to some uncertainty, given a less favourable international economic environment. Underlying domestic demand is projected by the CBI to grow by 4% this year, and by 3.2% in 2020, broadly unchanged from their projections published in January. Reflecting the weaker external environment, the CBI's forecasted GDP growth has been revised down slightly to 4.2% for this year, while remaining at 3.6% for next year.

The Labour Market

The latest labour market data points to some moderation in the growth of employment towards the end of last year. Labour Force Survey (LFS) data for the fourth quarter of 2018 indicates that employment was 2.3% higher on a year-on-year basis in the final quarter, which represents a slowdown from the 3% annual growth recorded in the third quarter of 2018. The recent LFS data indicates that there were an additional 50,000 people at work in the final quarter of last year, compared to the same period in 2017. This



brings the total number at work to 2.28 million, a new peak for the Irish economy. The pace of expansion in employment is projected by the CBI to moderate further in coming years, with employment growth of 2.1% and 1.7% projected for 2019 and 2020, respectively.

Considering these developments, unemployment is expected to continue to fall over the projection horizon, albeit at a slower pace than during the last number of quarters. The seasonally adjusted unemployment rate in the final quarter of 2018 was 5.7%, unchanged from the previous quarter, and down from 6.4% in the fourth quarter of 2017. In terms of levels, the fourth quarter data indicates a year-on-year decrease of 15,200 people in unemployment to 128,800. The long-term

unemployment rate (i.e. those unemployed for longer than one year) fell to 2.1% in the final quarter of last year, compared with 2.5% a year earlier. In light of the above projections for growth in employment and the labour force, the unemployment rate is projected to decline further to an average rate of 5.4% this year and 5.0% in 2020.

This outlook is subject to considerable risk. Under a no-deal Brexit scenario, the outlook for the labour market would be considerably weaker. While the labour market would be affected by weaker growth in the economy, certain sectors and regions would be more exposed to a disruptive Brexit. In particular, employment in agri-food is particularly exposed, as the sector is reliant on the United Kingdom as an export market, and also relatively more



THE LABOUR MARKET

Unemployment is expected to continue to fall over the projection horizon, albeit at a slower pace than during the last number of quarters.

sensitive to both tariff and non-tariff barriers.

While employment growth is set to moderate somewhat, the employment outlook still remains relatively favourable, and wage growth is projected by the CBI to pick up further over the forecast horizon. Compensation per employee rose by 2.8% in 2018, and is forecast by the CBI to rise to 3.6% in 2019, and 3.7% in 2020. With consumer price inflation projected to remain relatively subdued, there is the prospect of further significant gains in terms of the real purchasing power of workers along with an anticipated rise in consumer spending. The most recent earnings data from the CSO Earnings Hours and Employment Survey (EHECS) reported a strong pickup in wages in the fourth quarter of 2018, with a 3.8% rise in average hourly earnings compared with Q4 2017. For the year as a whole, the data points to a 3% rise in average

hourly earnings in 2018, compared to 1.9% in 2017. In terms of sectoral outcomes, the largest gains were recorded in the mining and quarrying (7.8%), information and communication (7.5%), and construction (4.4%) sectors. Wage growth as measured in the EHECS Survey was stronger in the private sector throughout 2018, with a 3% increase compared to 2.5% in the public sector.

Residential Property

The latest CSO data shows that residential property prices increased by 5.6% in the year to January 2019, down considerably from the 11.8% increase seen in the year to January 2018. The divergence between Dublin and non-Dublin inflation has continued. Residential prices in Dublin rose by 1.9%, and non-Dublin prices rose by 9.5%. This disparity has widened significantly since 2017, when Dublin

and non-Dublin prices increased by 12.1% and 13% respectively. In terms of supply, the fourth quarter 2018 Myhome.ie report shows that as of year-end 2018, there were 21,700 homes listed for sale on their site, up 15% from 2017. Property Price Register data shows the total volume of residential sales in 2018 was €17.2 billion – a 15.3% increase from 2017. The number of sales listed on the register has risen every year since 2011, with 2018 up 3.6% from the previous year.

Commercial Property

Annual growth in Commercial Property values stood at 5% at year-end 2018. After double-digit growth at the beginning of the recovery in 2014 and 2015, price growth has weakened each year. It is now at its lowest level since growth first turned positive in Q4 2013. The MSCI/IPD index remains almost 40% below its pre-crisis peak.

Legislative Update



ROI

REGISTER OF BENEFICIAL OWNERSHIP (RBO)

Statutory Instrument 110 of 2019: European Union (*Anti-Money Laundering: Beneficial Ownership of Corporate Entities*) Regulations 2019 (hereinafter the Regulations) was recently signed into law by the Minister for Finance, and gives effect to the requirements under Article 30 of 4AMLD. This legislation provides for the appointment of a Registrar of Beneficial Ownership of Companies and Industrial & Provident Societies, as well as the composition of the Register, the reporting to and accessing of the Register.

Commencement of the register

In accordance with the Regulations, the RBO will begin to accept online filings from **June 22nd 2019**, after which there will be five months for companies and I&Ps to file their RBO data without being in breach of their statutory duty to file.

An RBO website was launched on April 29th and provides further information to customers. See the following link for more details: <https://rbo.gov.ie/>

Next Steps

1. Establish the beneficial owners of the credit union

In accordance with the 2016 Beneficial Ownership Regulations (S.I. 560/2016), credit unions were expected to establish their beneficial ownership, therefore this is most likely already in place. Nonetheless the information below will assist in determining the beneficial owners of the credit union.

For the purposes of the Regulations, a 'beneficial owner' is a person **who ultimately owns or controls** the relevant entity, in this case the credit union. In very general terms, ownership or control in the context of the Regulations is indicated by the holding of more than 25% of shares in the entity, or the holding of another form of ownership interest (e.g. voting rights) exceeding 25% in the entity. The Regulations oblige such entities to use all

possible means to identify any person who is a beneficial owner in this respect. However, given the dispersed nature of the membership of credit unions, unless unusual circumstances apply, it is unlikely that any person will meet the definition of beneficial owner of a credit union as just outlined. The credit union should however keep records of the efforts that have been made to identify whether or not there are any such beneficial owners and the rationale for its conclusion.

Once the above has been completed, and if the credit union either cannot identify a person who is a beneficial owner or identifies a person who may be a beneficial owner but cannot be certain of this, the credit union must comply with the requirement that every person who holds the position of '**senior managing official**' must be entered in the Beneficial Ownership Register. Regulation 2 of Statutory Instrument 110/2019 defines a 'senior managing official' as including a director and a chief executive officer. The credit union must therefore record the information in respect of **each director and the chief executive officer/manager** of the credit union in the Register as its beneficial owners.

2. Obtain the required information and enter it on the Beneficial Ownership Register

When the credit union has established its beneficial ownership, the requisite information and supporting documentation for the purposes of the Regulations must be obtained from them and entered on to the Register. The following sets out the matters that should be included in respect of them:

- ✓ Forename & Surname;
- ✓ Date of birth;
- ✓ Personal Public Service Number (PPSN);
- ✓ Nationality;
- ✓ Residential address;

- ✓ A statement of the nature of the interest held by each beneficial owner (e.g. controlling shareholder);
- ✓ A statement of the extent of the interest held by each beneficial owner (e.g. controller of 26% of shares in company);
- ✓ The date on which each natural person was entered in the company's own register as a beneficial owner;
- ✓ The date of cessation as beneficial owner;
- ✓ If, having exhausted all possible means, no natural persons are identified as beneficial owners, there shall be entered in the register the names and details of the natural person(s) who hold the position(s) of senior managing official(s) of the company/I&P. Relevant entities shall keep records of the actions taken to identify their beneficial owners (Regulation 5(5) of S1 110/2019);
- ✓ Details of the presenter making the entry in the RBO on behalf of the company, i.e. name, contact details and capacity in which they are filing.

3. Keep the information on the Beneficial Ownership Register up to date

It is important to note that the Beneficial Ownership Register must be kept updated to ensure its accuracy and any change to the above information must be recorded. Therefore if a beneficial owner's particulars on the Register have changed, the Register must be amended as soon as the credit union has confirmation of this change.

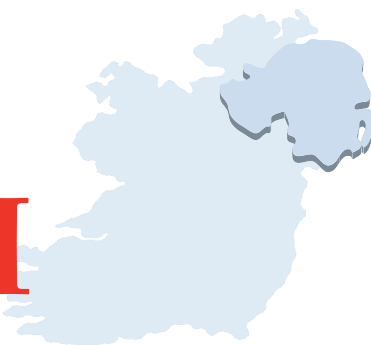
Conclusion

The office of the Registrar of Beneficial Ownership (RBO) will contact each company and I&P about their filing obligations in the coming weeks. If there are any further queries in relation to this, do not hesitate to contact the ILCU Legal Department.

1 A link to SI 110/2019 is provided here: <http://www.irishstatutebook.ie/eli/2019/si/110/made/en/pdf>.

Legislative Update

NI



Department for the Economy (DfE) instigates statutory review into corporate membership

The Department for the Economy in (DfE) in Northern Ireland (NI) has recently commenced a review of the operation of corporate members, and more specifically unincorporated associations.

Following consideration of trade body concerns regarding provisions for unincorporated association, DfE agreed to bring an amendment to the legislation to insert a new section to make provisions for a review of corporate, as it related to unincorporated bodies becoming members of credit unions in the name of the entity.

Hard copy letters and questionnaires have now been issued to all NI credit unions and trade associations.

The requirement for a review was introduced under Section 14 of the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 which states:

The Department must—

- (a) carry out a review of the operation of section 1 as it relates to unincorporated associations, and
 - (b) prepare a report of that review.
- (2) The Department must lay the report before the Assembly.
- (3) The Department must begin to carry out the review before the end of the period of two years beginning with the day of Royal Assent.

Feedback on the consultation has to be provided to DfE by June 7th 2019.

Once the review is complete, DfE will prepare a report of that review and lay the report before the Assembly.





Kerry and Cork Credit Unions Working Together to Support Local Farmers

Early milking was the order of the day as six credit unions in the Kerry/Cork region joined forces to launch a new agri-loan product *Cultivate* in March.

The credit unions involved are Ballincollig, Bantry and Kanturk Credit Unions Ltd. in Cork, and on the Kerry side of the border Cara, (Castleisland, Killorglin & Tralee Offices) Killarney (Killarney, Kenmare and Cahersiveen) and Listowel Credit Unions Ltd. (Listowel and Ballybunion).

The new product was officially launched by IFA National Chairman - Farm Business, Martin Stapleton. MC at the event in the Gleneagle Hotel, Killarney was Pat Spillane, former Kerry GAA star and current Rural Ambassador, and



guest speaker was Darragh Mc Cullough from RTE's *Ear to the Ground*.

The credit union farm lending project is modelled on a pilot initiative by four credit unions in Co Galway who launched the *Cultivate* brand in 2017. 20 credit unions throughout Ireland are now offering the agri-loan product to members. Since its introduction, *Cultivate* has proved very popular with farmers with nearly €20 million in loans issued to farmers.

The farm loan package will offer loans up to €50,000 for a variety of purposes, and the term of the loan can be up to seven years. Loan protection insurance is also provided on the loan at no additional charge.

COLM FERRY HAILED AS A 'CREDIT' TO LETTERKENNY CREDIT UNION



Letterkenny Credit Union Ltd. is paying tribute to Colm Ferry who retired after 40 years of service. A celebratory evening was held to mark the occasion. Current and former staff, volunteers and directors of the credit union gathered at McGettigans Hotel to give him a well-deserved send-off. Also attending were representatives of the other organisations he devoted his time to; Fianna Fail, Knights of Columbanus and Letterkenny Heritage group. Eugene O'Boyle spoke on behalf of the credit unions

present and past directors, and remarked that without Colm's input in the early years of the credit union, it would not have evolved into the thriving credit union it is today. Former Letterkenny political representatives, Victor Fisher and Dr Jimmy McDaid, also paid tribute to Colm on the night. Mr Fisher remarked that he had never lost an election with Colm Ferry by his side. Dr McDaid said he was honoured to attend to celebrate with his close friend and supporter. The evening was enjoyed immensely by all who attended.

Seven Dublin credit unions collaborate to offer 'Dream Bigger' loan

For the first time ever, seven south and west Dublin-based credit unions have come together to offer a new loan product to their members. The 'Dream Bigger' loan is one of the most competitively priced loans on the local lending market.

Donore, Greenhills & District, Ballyfermot & Inchicore, Blanchardstown & District, Kilnamanagh, Palmerstown and Tallaght & District Credit Unions Ltd. have joined forces to offer the loan, the aim of which is to turn their members' dreams to reality.

"Everyone knows their credit union is there for the small loans, but members sometimes forget their local credit union can offer loans for much larger amounts, and we love to give out bigger loans" said David McAuley, CEO of Donore Credit Union. "With so many people upgrading, renovating homes, adding on rooms for grown up kids, looking to cut energy costs, there are so many reasons to contact us and find out more about our new product."

Applying for the loan is very straightforward, members can simply log on to www.dreambigger.ie or contact one of the local credit unions directly. The loan application process is easy to follow, and the aim is to provide members with a quick decision.



This is the first time in Dublin that credit unions have come together to offer a joint product of this nature. Robert O'Halloran, CEO of Greenhills & District Credit Union Ltd., said of the initiative; "We are all local based lenders, dedicated to serving our communities. With seven credit unions together, we can share costs of promotion and advertising while attaining more exposure amongst our potential membership. Our 'Dream Bigger' posters are on bus stops, the Luas line and on our

social media feeds, and we have also developed a dedicated website, all very cost effectively."

There is already work underway to expand the product with three more Dublin credit unions interested in joining the campaign. Credit unions who wish to join the 'Dream Bigger' group can do so by contacting Robert O'Halloran CEO of Greenhills & District Credit Union Ltd. on manager@greenhillscu.ie.

A GR8 DAY AT CARRICKMAROSS CREDIT UNION

Carrickmacross Credit Union Ltd. recently held an open day to launch GR8 Savers Week. Parents, teachers and children were welcomed into the credit union for a fun filled day, with a number of games and give-aways, as well as music and entertainment from iRadio. To promote the savings awareness week, any new or existing junior member who lodged money to their account during the week automatically received €5. There was a great turnout on the day, following promotion of the event on iRadio, in the local press and social media campaigns. The Board and staff of Carrickmacross Credit Union are already looking forward to their next event!



St Jarlath's Credit Union named 'Business All Star'



St Jarlath's Credit Union Ltd. has been awarded a 'Business All-Star' and the prestigious title of *All-Ireland Credit Union of the Year 2018-19* from the All-Ireland Business Foundation. This is the first time ever that a credit union has been awarded a Business All Star.

The All-Ireland Business Foundation is a national body which accredits best-in-class Irish businesses as 'Business All-Stars'. Having completed the rigorous six step adjudication process, including a significant submission, interviews and mystery shopper rounds, St Jarlath's Credit Union were accredited with the award and title. The Business All-Star accredited companies are recognised to be progressive, indigenous Irish businesses which meet the highest standards of verified performance, trust and customer centricity.

Speaking at the awards event, John Doyle from St Jarlath's Credit Union said: 'This is a very proud day for St. Jarlath's Credit Union. To gain outside recognition of the work that is carried out in the credit union brings a real sense of pride to our team – staff and Board. Members have always trusted us with their business over the last 52 years but this just adds an additional layer of trust and belief in the services that we provide. We are grateful to the All-Ireland Business Foundation for the recognition of the work that is carried out in the credit union and also to our team, our Board and our membership base, without whom we wouldn't exist'.

Crossmaglen Credit Union director wins place on Washington Ireland Program

Crossmaglen Credit Union Ltd. director Kilian Thornton has been selected to join this year's class of the prestigious Washington Ireland Program (WIP). Kilian, a Politics & Criminology student at Ulster University, was one of 31 students selected from 16 different universities and institutions across the Republic of Ireland and Northern Ireland.

WIP supports students to develop their full potential through two core principles - leadership and service. Each student will undertake a work placement at some of the most illustrious and influential levels of professional life in Washington DC and New York, including congressional offices, international corporations, law firms and media organisations. Students are hosted by American host families.

"We're thrilled to welcome Kilian to this year's Washington Ireland Program class. WIP seeks students who demonstrate leadership potential and have a substantial track record of service. Kilian exceeds these requirements and I'm sure he will take full advantage of the busy program of training and development WIP provides" said Bryan Patten, Executive Director of the Washington Ireland Program.

When Kilian has successfully completed the program, he will join WIP's distinguished alumni. This diverse, all island network shares a commitment to shaping the future of Ireland and Northern Ireland. More than 600 alumni, including An Taoiseach Leo Varadkar TD, have graduated from the program and are now excelling in roles across the political, business, legal, entrepreneurial, advocacy and cultural sectors on the island.



'Rory's Stories' a hit at Kilkenny event

Rory O'Connor of *Rory's Stories* fame proved a big hit at St Canice's Credit Union Ltd.'s free information evening on life after secondary school. The event, for parents and transition year, 5th and 6th year students, was held in March in the Springhill Court Hotel, Kilkenny.

Keynote speakers included Mary Quirke a qualified career guidance counsellor who spoke about career guidance, subject choice & CAO. Rory O'Connor spoke about his own experience in school, which wasn't always positive, and how he went on to forge a successful career doing what he loves. Both Mary and Rory emphasised the importance of involvement in clubs, societies and other non-academic activities both when applying for jobs, and also for general good mental health. Tom McWey, Business Development Officer with St. Canice's Credit Union, spoke



about the cost of financing third level education and student loan options available from St Canice's Credit Union. A number of exhibitors

also had information stands on the night discussing various options with parents and students. These included IT Carlow, WIT, Teac Tom,

Ormonde College, the Education and Training Board, and Youth Advocacy and Guidance Officer.

New agri-loan at Carlow Credit Union

Carlow Credit Union Ltd. recently launched a new agri-loan. The official launch took place at the Seven Oaks Hotel. To date, most lending has been issued to members for car purchase and repairs, home improvement, wedding, education, holidays and much more. It's hoped that the new product will provide an alternative finance option for farmers when they require financial assistance for

their agriculture operations. There was a great turnout at the launch, and a large number of farmers making enquiries. Carlow Credit Union's common bond area has increased since 2015, with a number of transfer of engagements. The common bond area now extends well into rural areas close to Bunclody, Wexford, Donard, Wicklow and Timahoe, Laois.





GLORY

AS A **GLOBAL LEADER IN CASH TECHNOLOGY**, GLORY IS WORKING WITH CREDIT UNIONS ACROSS IRELAND TO MAKE THEIR CASH WORK MORE EFFICIENTLY.

Whether you're looking to transform your offices or simply improve efficiency, GLORY can support your strategy. The RBG-200 is already helping credit unions across Ireland enable open plan layouts, reduced start / end of day processes, faster teller transactions, redeployment of staff and enhanced member experience.



GLORY at Irish League of Credit Unions Conference 2019



“WE HAVE FOUND THE AUTO HEAD TELLER TO BE A REALLY USER FRIENDLY AND PRACTICAL ADDITION TO OUR CASH MANAGEMENT. IT HAS INCREASED OUR FRONT OFFICE SECURITY WHILE REDUCING TIME SPENT BALANCING EACH EVENING BY AT LEAST 20 MINUTES. WE ARE VERY HAPPY TO ENDORSE IT TO OTHER CREDIT UNIONS FACING SIMILAR CHALLENGE.”

– TALLAGHT CREDIT UNION

Contact information
sales@ie.glory-global.com | +353 (0)1 571 3990

Glory Ireland
**Block 13, Unit H, Blanchardstown Corporate Park 1,
Blanchardstown, Dublin 15, D15 KW27, Ireland.**